

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Crim. No. 05-
: :
: 18 U.S.C. §§ 666, 1341, 1346, & 2
v. : :
: :
CARL BABB : I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Count 1

Honest Services Mail Fraud

1. At all times material to this Information:
 - a. Defendant CARL BABB was the principal operator of Olympic Window Installers, Inc. ("Olympic Windows"), a window installation and construction business based in Hawthorne and Paterson, New Jersey. From in or about 1999 to in or about October 2002, defendant CARL BABB and Olympic Windows billed the Paterson Public School District (the "District") approximately \$2.5 million for construction work and services that it claimed to have performed.
 - b. Louis Milone was employed by the District in Passaic County, New Jersey, as the Supervisor of Maintenance and Custodial Services. Milone was responsible for overseeing, inspecting and approving the work performed by Olympic Windows

for the District. Before Olympic Windows could be paid for any of the work it performed for the District, Milone was required to sign a purchase order verifying that the work had actually been performed satisfactorily.

c. Co-schemer (the "District Employee") was employed by the District as the Director of Facilities. The District Employee was responsible for, among other things, approving District construction and maintenance contracts and recommending which contracts should be renewed by the District.

2. The District had an intangible right to the honest services of its officials and employees. As employees of the District, Louis Milone and the District Employee therefore owed the District a duty to: (a) refrain from receiving illegal payments and benefits designed to (i) improperly affect the performance of official duties or (ii) coax their favorable official action or inaction and (b) disclose conflicts of interest and other material information in matters over which they exercised influence, authority, and discretion that resulted in their personal gain.

3. From in or about 1999 to in or about October 2002, in Passaic County, in the District of New Jersey and elsewhere, defendant

CARL BABB

and others knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the District of the right to Louis Milone's and the District Employee's honest services in the affairs of the District.

4. The object of the scheme and artifice to defraud was for defendant CARL BABB to offer, give and agree to give concealed corrupt payments and benefits to Louis Milone and the District Employee and to receive contracting work for the District for which, in many instances, defendant CARL BABB caused the District to be overcharged for the contracting work and services.

5. It was a part of the scheme and artifice to defraud that, from in or about 1999 to in or about October 2002, defendant CARL BABB would submit purchase orders to the District for contracting work and services on behalf of Olympic Windows which either (a) materially overstated the cost of the work performed or (b) claimed work had been completed when in fact the work was only partially completed.

6. It was further a part of the scheme and artifice to defraud that the District Employee would steer construction work for the District to Olympic Windows and recommend the renewal of Olympic Windows' contracts with the District in exchange for defendant CARL BABB providing construction services for the

District Employee's private residence to the District Employee free of charge.

7. It was further a part of the scheme and artifice to defraud that Louis Milone signed the purchase orders submitted by defendant CARL BABB -- thereby authorizing payment by the District -- without always inspecting or verifying the accuracy of the purchase orders or the contracting work that Olympic Windows claimed to have performed, in contravention of the policies and procedures of the District.

8. It was further a part of the scheme and artifice to defraud that, in or about August 1999, shortly after the District awarded a construction contract to Olympic Windows, defendant CARL BABB corruptly paid approximately \$3,500 for tickets for a sea cruise vacation for Louis Milone and his relatives which was scheduled to depart from Florida in May 2000. Defendant CARL BABB also corruptly paid for the airfare, with an approximate value of \$600, for Louis Milone and his relatives to fly to Florida to take the cruise. Defendant CARL BABB also corruptly provided Louis Milone with \$500 in credit vouchers to be used aboard the ship during the cruise in May 2000.

9. It was further a part of the scheme and artifice to defraud that, in or about the spring of 2001, defendant CARL BABB corruptly paid on behalf of Louis Milone an additional \$3,500 for tickets for another sea cruise vacation for Louis Milone and his

relatives which was scheduled to depart from Florida in May 2001. Defendant CARL BABB also corruptly provided Louis Milone and his relatives with train tickets, with an approximate value of \$400, to travel to Florida to take the cruise and with \$500 in credit vouchers to be used aboard the ship during the cruise in May 2001.

10. It was further a part of the scheme and artifice to defraud that in or about spring 2000, defendant CARL BABB caused Olympic Windows' employees to install windows, with an approximate value of \$1,500, in the home of Louis Milone free of charge.

11. It was further a part of the scheme and artifice to defraud that in or about spring 2002, defendant CARL BABB caused a third party contractor to install vinyl siding, with an approximate value of \$3,500, in the home of Louis Milone free of charge.

12. It was further a part of the scheme and artifice to defraud that, from in or about 2001 to in or about 2002, defendant CARL BABB had Olympic Windows' employees perform various construction jobs, valued at approximately \$35,000, at the private residence of the District Employee free of charge. These construction jobs included: the installation of a front door; drywalling; wall framing; and the finishing of a basement.

13. In or about April 2001, in Passaic County, in the

District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute the scheme and artifice to defraud, defendant

CARL BABB

and others, knowingly and willfully placed in a post office and authorized depository for mail matter certain matter to be sent and delivered by the Postal Service and took and received therefrom such matter and caused to be delivered by mail according to the directions thereon such matter, to wit, cruise tickets from a travel agency in Hawthorne, New Jersey, addressed to Louis Milone in Pompton Lakes, New Jersey.

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

Count 2

Giving Corrupt Payments to Milone

1. Paragraph 1 of Count 1 is hereby incorporated and re-alleged as if fully set forth herein.

2. The District was a local government agency that received federal assistance in excess of \$10,000, during the relevant one-year periods.

3. From in or about 1999 to in or about May 2001, in Passaic County, in the District of New Jersey, and elsewhere, defendant

CARL BABB

did knowingly, willfully, and corruptly give, offer, and agree to give things of value, namely, approximately \$14,000 in cash and benefits to Louis Milone, with intent to influence and reward Milone in connection with a business, transaction, and series of transactions of the District involving a thing of value of \$5,000 and more.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

Count 3

Giving Corrupt Payments to the District Employee

1. Paragraph 1 of Count 1 and paragraph 2 of Count 2 are hereby incorporated and re-alleged as if fully set forth herein.

2. From in or about 2001 to in or about October 2002, in Sussex County, in the District of New Jersey, and elsewhere, defendant

CARL BABB

did knowingly, willfully, and corruptly give, offer, and agree to give things of value, namely, approximately \$35,000 in benefits to the District Employee, with intent to influence and reward the District Employee in connection with a business, transaction, and series of transactions of the District involving a thing of value of \$5,000 and more.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

CHRISTOPHER J. CHRISTIE
United States Attorney